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**TENDER LOVING CARE HEALTH CARE SERVICES PAYS \$1 MILLION
REGARDING FALSE CLAIMS**

BALTIMORE, Maryland.--United States Attorney for the District of Maryland Thomas M. DiBiagio announced today that Tender Loving Care Health Care Services, Inc. (TLC), a Delaware corporation located in Lake Success, New York, has paid the United States \$1 million to resolve allegations that TLC submitted or caused the submission of false claims to the government, specifically the Centers for Medicare and Medicaid Services (CMS).

TLC provides home health care services through a number of offices throughout the United States, and in 1999 was spun off from Staff Builders, Inc., a Delaware corporation. The offices were either owned and operated directly by TLC, or operated by third parties pursuant to franchise agreements. TLC provided home health care services to Medicare beneficiaries in Maryland through a franchise operated by Thayer Management Corporation, which was owned by William Geist.

The settlement resolves the government's allegations that from 1993 until 1997, TLC submitted cost reports to CMS on behalf of the Maryland franchise. The cost reports included false claims for personnel and supply costs and other expenses that were not Medicare related and

therefore not reimbursable.

Geist was prosecuted by the Maryland Medicaid Fraud Control Unit and pled guilty to one count of felony theft in state court arising out of the same facts. He was sentenced to eight years with all but 27 months suspended, and ordered to pay the State of Maryland \$250,000 for fraud involving Medicaid, a health care program for low income persons funded jointly by the federal and state governments.

In 2002, TLC filed a voluntary petition under Chapter 11 of the Bankruptcy Code but has continued operations. The settlement was approved by the Bankruptcy Court.

The investigation was handled by Assistant U.S. Attorney Roann Nichols and Special Agent Robert Mosley of the Office of the Inspector General for the Department of Health and Human Services.